



TRANSPORTATION CABINET

Frankfort, Kentucky 40622
www.kentucky.gov

Steven L. Beshear
Governor

Joseph W. Prather
Secretary

Dear Permit Holder,

Over recent months, via conversations with permit holders, customers, county clerks, and automotive dealerships, it has become apparent that clarification regarding the U-Drive-It program is necessary in order to ensure full compliance with Kentucky statutes and regulations.

First, what is U-Drive-It?

- U-Drive-It is not a tax. Rather, per KRS 281.014 (3) "The term 'U-Drive-It' means any person who leases or rents a motor vehicle for a consideration to be used for the transportation of persons or property, but for which no driver is furnished, and the use of which motor vehicle is not for the transportation of persons or property for hire by the lessee or rentee."

Second, what is the function of the U-Drive-It office?

- The U-Drive-It office issues permits to lease and rental car companies doing business within the Commonwealth of Kentucky.
- The U-Drive-It office additionally collects the usage taxes due under KRS 138.463 and the seat tax fee that is assessed under KRS 186.281 (3).

Finally, what are the obligations incurred by U-Drive-It permit holders?

- To register all lease and rental vehicles in the U-Drive-It program.
- To file monthly tax returns with the U-Drive-It office.
- To remit any usage or seat taxes due to the U-Drive-It office.

Are there any lease or rental units that are exempt from registration in the U-Drive-It program?

- All units must be registered as part of the U-Drive-It program. This includes units that are exempt from monthly usage tax payments because the tax was paid up front at the time of initial registration.

If you have any questions, please contact the U-Drive-It office at 502.564.6401.

